



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

May 8, 2016

JONATHAN LINES, TREASURER
ARIZONA REPUBLICAN PARTY
3501 NORTH 24TH STREET
PHOENIX, AZ 85016

Response Due Date

06/13/2016

IDENTIFICATION NUMBER: C00008227

REFERENCE: AMENDED DECEMBER MONTHLY REPORT (11/01/2015 - 11/30/2015),
RECEIVED 12/28/2015

Dear Treasurer:

This letter is prompted by the Commission's preliminary review of the report referenced above. This notice requests information essential to full public disclosure of your federal election campaign finances. **Failure to adequately respond by the response date noted above could result in an audit or enforcement action.** Additional information is needed for the following 4 item(s):

1. In memo text disclosed on your Amended November Monthly (10/1/15 - 10/31/15), received 12/28/15, you state "Excess contribution. Transferred to non Federal accounts in November 2015. That transaction will appear in our next regulary scheduled report." However, you have failed to disclose the transaction during this reporting period (see attached). Any transfers-out should be disclosed on Schedule B supporting Line 22 of the report covering the period during which the transaction was made. Please amend your report to clarify this apparent discrepancy.

Please inform the Commission if you were unable to take corrective action as previously indicated and provide a photocopy of your check for any subsequent transfer-out. Although the Commission may take further legal action concerning the acceptance of a prohibited or excessive contribution, prompt action by your committee to transfer-out the amount will be taken into consideration.

2. On Schedule H4 supporting Line 21(a) of the Detailed Summary Page, you have not included the full name and/or mailing address for the payments made to "Reservations.com." Please amend your report accordingly. (11 CFR § 104.10(b)(4) and 104.17(b)(3))

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3. Itemized disbursements must include a brief statement or description of why the disbursements were made. Please amend Schedule H4 to clarify the following description: "Professional services fees." (11 CFR §§104.3(b)(3) and 104.10(a)(4))

Additional clarification regarding inadequate purposes of disbursement published in the Federal Register can be found at: http://www.fec.gov/law/policy/purposeofdisbursement/inadequate_purpose_list_3507.pdf

4. Schedule H4 supporting Line 21(a) of your report discloses payments for "Payroll." Please be advised that pursuant to 11 CFR §300.33(c)(2), salaries and wages for employees who spend more than 25% of their compensated time in a given month on Federal Election Activity (FEA) or activities in connection with a Federal election must not be allocated between or among federal and non-federal accounts. Rather, only federal funds may be used. Further, the Commission concluded in Advisory Opinion 2003-11 that amounts spent for employee-specific "fringe benefits," consisting of health insurance, disability insurance, life insurance, retirement benefits and payroll taxes, fall into the category of compensated time.

Please clarify whether this activity is for employees who spent 25% or less of their time during the month(s) referenced above on FEA or activities in connection with a Federal election. If this is not the case, any reimbursement from your committee's non-federal account for this payment is not permissible and must be returned. Although the Commission may take further legal action regarding any improper allocation activity, your prompt action will be taken into consideration.

- Your report discloses certain categories of financial activity that have been reflected on the wrong lines of the Detailed Summary Page. For your information and consideration when preparing future filings, contributions received from Indian Tribes should be properly disclosed on a separate Schedule A, supporting Line 11(a) of the Detailed Summary Page. Please refer to the instructions for each line when determining the proper categorization(s) for your next filing. (52 U.S.C. §30104(b) (formerly 2 U.S.C §434(b)) and FORM 3X Instructions)

Please note, you will not receive an additional notice from the Commission on this matter. Adequate responses must be received by the Commission on or before the due date noted above to be taken into consideration in determining whether audit action will

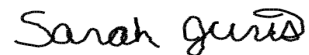
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be initiated. Failure to comply with the provisions of the Act may also result in an enforcement action against the committee. Any response submitted by your committee will be placed on the public record and will be considered by the Commission prior to taking enforcement action. **Requests for extensions of time in which to respond will not be considered.**

Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you should have any questions regarding this matter or wish to verify the adequacy of your response, please contact me on our toll-free number (800) 424-9530 (at the prompt press 5 to reach the Reports Analysis Division) or my local number (202) 694-1175.

Sincerely,



Sarah Juris
Senior Campaign Finance Analyst
Reports Analysis Division

Excessive Contributions**ARIZONA REPUBLICAN PARTY (C00008227)****Excessive Contributions from Individuals**

Contributor Name	Date	Amount	Report
Randy Kendrick	4/30/15	\$25,000.00	2015 May Monthly
Transfer excess funds to non-federal - Kendrick	4/29/15	-\$5,000.00	2015 May Monthly
Transfer of Excess funds - Kendrick	5/1/15	-\$10,000.00	2015 June Monthly
Randy Kendrick	10/31/15	\$25,000.00	2015 November Monthly
Total Excessive		\$25,000.00	